THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI) : (a) to (b) According to the provisional figures, India's exports during the first nine months of the current financial year i.e. April-December 1988 amounted to Rs. 13926.68 crores as compared to Rs. 11197.41 crores during April-December 1987, thereby showing an increase of 24.4 percent. It is not possible to precisely estimate the export earnings for the entire financial year at this state. However, it is expected that the export target of Rs. 18795 crores fixed for the financial year 1988-89 is likely to be achieved.

(c) Does not arise.

Toy Industry

223. SHRI PARVATHANENI UPENDRA : Will the Minister of COMMERCE be pleased to state :

(a) whether the toy industry in country is suffering for want of adequate support in the form of an Export Promotion Council; and

(b) if so, what steps Government have taken to increase the export of toys?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI) : (a) and (b) No, Sir. The Engineering Export Promotion Council is the registering authority for export of electro-mechanical toys and the Plastics and Linoleum Export Promotion Council is the registering authority for plastic toys.

Financial relation between the Union and the States

224. SHRI PARVATHANENI UPENDRA : Will the Minister of FINANCE be pleased to state :

(a) whether six Chief Ministers of States met in Calcutta on January 28, 1989 and suggested a number of measures for improving the financial relation between the Union and the States; and

(b) if so, what is the response of the Central Government to the suggestions?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b) The Chief Ministers of six States are reported to have met at Calcutta on 28.1.1989 and made a number of suggestions regarding Centre-States relations. These suggestions have been noted.

Notices to cigarette, compapies for Payment of excise duty

225. SHRI PARVATHANENI *UPENDRA : Will the Minister of* FINANCE be pleased to state :

(a) whether notices were issued to four cigarette companies with a demand for payment of Rs. 1800 crores towards excise duty;

(b) whether it is a fact that the Law Ministry has prescribed a new method of calculation of excise duty which raises the demands several times, which the cigarette companies feel are beyond their paying capacity; and

(c) if so, what is the final decision taken by Government in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA) : (a) show cause notices alleging evasion to the tune of over Rs. 2200 crores have been issued to four cigarette companies namely, M/s. I.T.C. Ltd., M/s. G.T.C. Industries Ltd., M/s N.T.C. Ltd., and M/s. Godfrey Phillips (India) Ltd. and their job workers, which are pending adjudication.

(b) and (c) Yes, Sir. The Law Ministry have given their opinion in respect of two major issues which would result in raising the existing demands several times. How-